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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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10/718,041

11/18/2003

James E. Malackowski

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EXAMINER

OYEBISI, OJO O

ART UNIT

PAPER NUMBER

3696

NOTIFICATION DATE

DELIVERY MODE

09/05/2008

ELECTRONIC

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

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Office Action Summary	Application No. 10/718,041	Applicant(s) MALACKOWSKI ET AL.	
	Examiner OJO O. OYEBISI	Art Unit 3696	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 20 May 2008.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-42 is/are pending in the application.
- 4a) Of the above claim(s) 25-42 is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-24 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 18 November 2003 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

In response to the restriction requirement mailed on 05/12/08, the applicant has elected the Invention of Group 1 (claims 1-24) without traverse, and has withdrawn the non-elected claims 25-42 from prosecution, and thus claims 1-24 are currently pending.

Claim Rejections - 35 USC §101

1. 35 U.S.C. §101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

2. Claims 1-20 are rejected under 35 U.S.C. §101 because the claimed invention is directed to non-statutory subject matter.

3. Based on Supreme Court precedent (*Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 U.S. 780, 787-88 (1876)) and recent Federal Circuit decisions, §101 process must (1) be tied to another statutory class (such as a particular apparatus) or (2) transform underlying subject matter (such as an article or materials) to a different state or thing (the Supreme Court recognized that this test is not necessarily fixed or permanent and may evolve with technological advances. *Gottschalk v. Benson*, 409 U.S. 63, 71 (1972)).

4. If neither of these requirements is met by the claim(s), the method is not a patent eligible process under 35 U.S.C. §101.

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5. In this particular case, regarding the first test, in performing the steps of the claimed subject matter, there is no requirement that a machine be used, thus the claims are not considered sufficiently tied to another statutory class. Regarding the second test, since the claimed subject matter may be performed using only human intelligence, the steps do not sufficiently transform the underlying subject matter to be statutory. Thus, to qualify as a 101 statutory method, the claim should positively recite the other statutory class (the thing or product) to which it is tied. For example, a statutory method claim would be recited as follow: acquiring rights, via a computer network, in a first intellectual property asset from a seller on behalf of a patent investment entity. In this example, the method of acquiring rights is sufficiently tied to another statutory class, a computer network. The applicant needs to tie all the method steps recited in claims 1-20 to another statutory class as set forth in the example supra.

Claim Rejections - 35 USC § 112

6. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

7. Claims 21-24 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Claims 21-24 are directed to “system” but the body of the claims do not recite any structural limitations that constitute the claimed system. It appears that the steps recited in the claims are being performed by computer software. Thus, to overcome this rejection, the

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applicant needs to add a computer readable medium or a machine-readable medium into the claims i.e., a computer readable medium having instructions to cause a patent investment entity/machine to manage an intellectual property grouping to generate income.

Claim Rejections - 35 USC § 102

8. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this

Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

9. Claims 1-24 are rejected under 35 U.S.C. 102(e) as being anticipated by Pullman (US PUB NO.: 2003/0225653).

Re claim 1. Pullman discloses a method of utilizing an intellectual property grouping owned by a patent entity to generate income, comprising acquiring rights in a first intellectual property asset from a seller on behalf of a patent investment entity (see paras 0035), providing compensation to the seller in exchange for the first intellectual property asset (see paras 0035); granting less than all of the rights in the first intellectual property asset to the seller of the

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intellectual property asset in exchange for a stream of payments (i.e., royalty streams, see paras 0036), wherein granting less than all of the rights in the first intellectual property asset creates residual rights in the first intellectual property asset; and utilizing the residual rights in the first intellectual property asset to generate income for the patent investment entity (see paras 0037)

Re claim 2. Pullman further discloses the method of claim 1, wherein providing compensation to the seller in exchange for the first intellectual property asset includes acquiring all substantial rights of value in the first intellectual property asset (see paras 0035)

Re claim 3. Pullman further discloses the method of claim 1, further including providing compensation to the seller in exchange for at least a second intellectual property asset and grouping residual rights from the second intellectual property asset with the residual rights in the first intellectual property asset (see paras 0016).

Re claim 4. Pullman further discloses the method of claim 1, wherein providing compensation to the seller in exchange for the first intellectual property asset includes providing an interest in the patent investment entity (see paras 0017).

Re claim 5. Pullman further discloses the method of claim 4, further including distributing the generated income based upon the interests in the patent investment entity (see paras 0038)

Re claim 6. Pullman further discloses the method of claim 1, wherein providing compensation to the seller in exchange for the first intellectual property asset

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includes providing cash equivalent to the fair market value of the intellectual property asset (see paras 0038)

Re claim 7. Pullman further discloses the method of claim 1, further including analyzing the residual rights in the first intellectual property asset to identify a new intellectual property asset (see paras 0018).

Re claim 8. Pullman further discloses the method of claim 1, wherein the residual rights in the first intellectual property asset is grouped according to at least one common characteristic (SEE FIG.4 element 105).

Re claim 9. Pullman further discloses the method of claim 7, wherein the common characteristic is a field of technology (see paras 0041)

Re claim 10. Pullman further discloses the method of claim 1, further including offering an equity interest in the patent investment entity to at least one third party (see paras 0038).

Re claim 11. Claim 11 recites similar limitations to claim 1 and thus rejected using the same art and rationale as in claim 1.

Re claim 12. Pullman further discloses the method of claim 11, wherein providing compensation to the seller in exchange for the first and second intellectual property assets includes acquiring all substantial rights of value in the first and second intellectual property assets (see paras 0035)

Re claim 13. Pullman further discloses the method of claim 11, further including providing compensation to the seller in exchange for at least a third intellectual property asset and grouping residual rights from the third intellectual property

asset with the first and second residual rights (see paras 0016).

Re claim 14. Pullman further discloses the method of claim 11, wherein providing compensation to the at least one seller in exchange for the first and second intellectual property asset includes providing an interest in the patent investment entity to each seller (see paras 0017).

Re claim 15. Pullman further discloses the method of claim 14, further including distributing the generated income based upon the interests in the patent investment entity (see paras 0038).

Re claim 16. Pullman further discloses the method of claim 11, wherein providing compensation to the seller in exchange for the first and second intellectual property assets includes providing cash equivalent to the fair market value of the first and second intellectual property assets (see paras 0038).

Re claim 17. Pullman further discloses the method of claim 11, further including analyzing the first and second residual rights in the first and second intellectual property asset to identify a new intellectual property asset (see paras 0018)

Re claim 18. Pullman further discloses the method of claim 11, wherein the first and second residual rights in the first and second intellectual property assets are grouped according to at least one common characteristic (SEE FIG.4 element 105).

Re claim 19. Pullman further discloses the method of claim 18, wherein the common characteristic is a field of technology (see paras 0041).

Re claim 20. Pullman further discloses the method of claim 11, further including

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offering an equity interest in the patent investment entity to at least one third party (see paras 0038).

Re claim 21. Pullman further discloses a patent investment entity configured to manage an intellectual property grouping to generate income, comprising an intellectual property grouping, including at least one residual right in a first intellectual property asset (see paras 0035), the first intellectual property right created by a grant of less than all of the rights in the first intellectual property asset in exchange for a stream of payments (see paras 0036); at least one equity interest in the patent investment entity, the interest configured to represent an interest in income generated by the intellectual property grouping (see paras 0038); and an income distribution system, the system configured to distribute income generated by the intellectual property grouping (see paras 0039).

Re claim 22. Pullman further discloses the patent investment entity of claim 21, wherein the intellectual property grouping further includes at least a residual right from a second intellectual property asset with the residual right in the first intellectual property asset (see paras 0018).

Re claim 23. Pullman further discloses the patent investment entity of claim 21, intellectual property grouping is created based on the exchange of at least one equity interest for the first intellectual property asset (see paras 0069).

Re claim 24. Pullman further discloses the patent investment entity of claim 23, further including a distribution system configured to distribute the generated

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income based upon the equity interests in the patent investment entity (see paras 0038-0039).

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to OJO O. OYEBISI whose telephone number is (571)272-8298. The examiner can normally be reached on 8:30A.M-5:30P.M.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Thomas Dixon can be reached on (571)272-6803. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

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/OJO O OYEBISI/
Primary Examiner, Art Unit 3696